

## FRAMEWORK EXTERNAL REVIEW

### SUSTAINABLE LENDING FRAMEWORK

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Commerzbank AG  
26 January 2026

#### VERIFICATION PARAMETERS

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Covered instruments	▪ Sustainable loans <sup>1</sup>
Type of framework	▪ Sustainable Lending Framework
Scope of verification	▪ Commerzbank’s ESG Framework (as of Dec. 10, 2025) ▪ Commerzbank’s sustainable lending classification system (as of Dec. 10, 2025)
Validity	▪ Valid as long as no material changes are made to the Framework

<sup>1</sup> Transition loans were not assessed under the scope of the External Review.

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## SCOPE OF WORK

Commerzbank AG (“the Financial Institution”, “the Bank” or “Commerzbank”) commissioned ISS-Corporate to assist with its ESG Framework and in particular with the included Sustainable Lending Framework (“SLF” or “the Framework”) by assessing four core elements to determine the quality of its classification system<sup>2</sup> for identifying sustainable lending activities and the sustainability quality of the eligibility criteria:

1. The Sustainable Lending Framework, benchmarked against market practices, guidelines<sup>3</sup> and approaches for loan markets to environmental and social sustainability (see Annex 1).
2. Commerzbank’s sustainable lending classification system — the soundness of the eligibility parameters to identify eligible sustainable lending activities (see Annex 1).
3. ESG risk management — an assessment of Commerzbank’s overarching risk management procedures considered relevant in the context of the Bank’s sustainable lending activities and the underlying Framework (see Annex 1).
4. Consistency of the Sustainable Lending Framework with Commerzbank’s sustainability strategy, drawing on the key sustainability objectives and priorities defined by the Bank.

<sup>2</sup> The methodology of external reviews provided for sustainable financing, lending and investment strategies has been developed based on our expertise in assessing a range of sustainable finance-related instruments and frameworks. In general, these types of external reviews are not to be treated as a “pass or fail assessment” of the sustainability quality of sustainable financing, lending or investment strategies but rather as an overall assessment. Thus, obtaining an external review of an overarching financing framework does not imply a detailed assessment of the sustainability quality of each underlying transaction. A qualitative assessment of sampled eligible ESG products is not in the scope of the verification procedures.

<sup>3</sup> The assessment is based on current market practices for sustainable loan markets, referring to different market standards and voluntary guidelines including but not limited to the Loan Market Association’s [Green Loan Principles](#), [Social Loan Principles](#) and [Sustainability-Linked Loan Principles](#); the [UNEP-FI PRB](#); and the [Guidelines proposed by the European Banking Authority \(EBA\) on loan origination and monitoring](#).

## COMMERZBANK OVERVIEW

Commerzbank AG engages in the provision of commercial banking services. It operates through the following business segments: Private and Small-Businesses Customers, Corporate Clients, and Others and Consolidation. The Private and Small-Businesses Customers segment focuses on the universal bank services for private and small-business customers, online securities transactions, and asset management. The Corporate Clients segment includes credit products and financing solutions for mid-size corporate clients, international corporations, and financial institutions. The Others and Consolidation segment contains the income and expenses which are not attributable to the business segments. The company was founded on February 26, 1870 and is headquartered in Frankfurt, Germany.

### *ESG risks associated with Commerzbank's industry*

Commerzbank is classified in the commercial banks and capital markets industry, as per ISS Sustainability's sector classification. Key sustainability issues faced by companies<sup>4</sup> in this industry are: sustainability impacts of lending and other financial services/products, customer and product responsibility, sustainable investment criteria, labor standards and working conditions, and business ethics.

This report focuses on the sustainability credentials of the classification system. Part IV of this report assesses the consistency between the Framework and the Bank's overall sustainability strategy.

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<sup>4</sup> Please note that this is not a company-specific assessment but rather areas that are of particular relevance for companies within that industry.

## ASSESSMENT SUMMARY

SECTION	SUMMARY EVALUATION <sup>5</sup>
<p><b>Part I:</b></p> <p><b>Review of Commerzbank's Sustainable Lending Framework</b></p>	<p><b>The Sustainable Lending Framework reflects market practices.</b></p> <ol style="list-style-type: none"> <li>1. Objectives, targets and progress: The Financial Institution has clearly disclosed the purpose of this Sustainable Lending Framework. In its Sustainable Lending Framework, the Financial Institution puts forth a clear definition of the sustainability objectives for its entire financing activities and a quantified target for Commerzbank AG in Germany in line with the Bank's wider strategy (as outlined in Part IV of this report). The Financial Institution does not disclose the financing target in value. Commerzbank is a member of various industry associations and has committed to disclose long-term and intermediate targets to support meeting the temperature goals of the Paris Agreement.</li> <li>2. Definition of sustainable financing activities: The Sustainable Lending Framework presents a definition of Commerzbank's green and social lending classification system with clear and transparent criteria for each financing approach and refers to relevant market principles and practices. The eligibility parameters to identify eligible sustainable financing activities is further analyzed in Part II of this report. The Sustainable Lending Framework defines exclusion criteria. The Financial Institution considers the EU taxonomy in its classification system.</li> <li>3. Evaluation and selection process: The process for sustainable lending transaction evaluation and selection is defined based on the eligibility criteria and structured in a congruous manner for use of proceed and general-purpose loans for corporate clients. For retail clients, the selection and evaluation process is predefined for certain types of loans, each with specific financing conditions, and any approval of a new loan type will need to follow the New Product Process. Responsibilities that mainly lie with the relationship managers across different departments are described in the internal guidelines shared by Commerzbank. ESG risks associated with sustainable activities</li> </ol>

<sup>5</sup> The evaluation is based on the Commerzbank's ESG Framework (December 2025 version), on the analyzed selection criteria as received on Dec. 10, 2025.

	<p>to be financed are identified and managed appropriately. Commerzbank defines exclusion criteria for controversial sectors to conduct an enhanced due diligence process when financing controversial sectors. The Financial Institution has guidelines in place to mitigate climate risks associated with the eligible transactions, including but not limited to asking for clients' strategy in managing physical risks and transitional risks.</p> <ol style="list-style-type: none"> <li>4. Governance and monitoring: The Financial Institution clearly describes the process to monitor if a financial transaction remains eligible during all its life cycle on a regular basis and explains the data collection, tracking and reporting mechanisms of the current/past transactions in its internal guidelines for use of proceed and general-purpose loans. In the Framework, Commerzbank clearly explains how the board and dedicated committees provide oversight of ESG-related issues, specifically the sustainable finance classification system. Furthermore, the Bank set a delisting mechanism.</li> <li>5. Reporting: Commerzbank commits to publicly and annually report its sustainable lending share as long as its ESG targets remain in place. The Bank discloses the impact of its banking activities following robust guidelines such as the Principles for Responsible Banking.</li> </ol>
<p><b>Part II:</b></p> <p><b>Assessment of Commerzbank's sustainable lending classification system</b></p>	<p><b>The Bank's sustainable finance classification system reflects market practices.<sup>6</sup></b></p> <p>Commerzbank has put forth multiple sets of eligibility parameters for its financing activities to be classified as sustainable: dedicated purpose financing and general-purpose financing.</p>
<p><b>Part III:</b></p> <p><b>Assessment of Commerzbank's ESG risk management</b></p>	<p><b>ESG risks relevant in the context of the Bank's sustainable lending activities are managed.</b></p> <p>Commerzbank has defined ESG risk assessment processes applicable to its sustainable lending activities. Sectorial exposures are considered. The Financial Institution has measures/policies/guidelines in place to address the main ESG risks faced by its sector. Finally, the Bank is transparent about the volumes of fossil carbon-related financing</p>

<sup>6</sup> Transition loans were not assessed under the scope of the External Review.

	<p>throughout all the business units and subsidiaries and has committed to public targets to scale these down and track its financed emissions across various sectors.</p>
<p><b>Part IV:</b></p> <p><b>Consistency of the Sustainable Lending Framework with Commerzbank's sustainability strategy</b></p>	<p><b>The Sustainable Lending Framework is consistent with the Group's sustainability strategy.</b></p> <p>The Sustainable Lending Framework is consistent with the Bank's sustainability strategy. The rationale for establishing a Sustainable Lending Framework is clearly described by the Bank.</p>

# FRAMEWORK EXTERNAL REVIEW ASSESSMENT

## PART I: REVIEW OF COMMERZBANK’S SUSTAINABLE LENDING FRAMEWORK

In its Sustainable Lending Framework, Commerzbank defines its methodology for the classification of eligible financing transactions as sustainable for the purpose of tracking and disclosing the performance against its sustainable finance targets.

This External Review assesses the Framework against current market practices for sustainable loan markets derived from market standards and established guidelines. The assessment focuses on key principles for transparency, public disclosure and non-contamination of sustainable-labeled products, set out in, among other standards, the Loan Market Association’s Green Loan Principles, Social Loan Principles and Sustainability-Linked Loan Principles; the regulation (EU) 2023/2631 establishing the European Green Bond Standard (November 2023); and the TEG final report on the EU Taxonomy and its technical annex.

CRITERIA	SUMMARY AND OPINION
<p><b>1. Objectives, targets and progress</b></p>	<p>Commerzbank developed its ESG Framework to provide transparency and comprehensive information on how the Bank understands sustainable finance. The Framework sets out how Commerzbank structures sustainable lending products and processes.</p> <p>Commerzbank commits to permanently allocate at least 10% of new loan business<sup>7</sup> to sustainable projects and business models to actively support sustainable transformation. The ESG Framework and its overarching sustainable lending target applies without restriction to Commerzbank AG in Germany, and the scope of this External Review is limited to its lending business for corporates, SMEs and private customers. The Bank defined an action plan to reach the target. It is guided by the United Nations Sustainable Development Goals (SDGs) and the Paris Agreement. Commerzbank aims to accompany its clients toward more climate-friendly investments by continuously expanding its range of innovative and environmentally friendly products and solutions. For corporate clients, the focus is on transforming their business models and financing renewable energy plans. Retail customers are rewarded with an interest rate discount if they choose to finance green construction. More concrete actions are formulated in the Bank’s internal Sustainability 360° program. These actions</p>

<sup>7</sup> As of Dec. 31, 2024, the loan volume of Commerzbank AG (excluding mBank) was EUR 229 billion. Commerzbank defines new loan business as the total volume of newly recorded and outstanding loan commitments within the past 12 months as of the reporting date. In the corporate client’s segment, this includes not only new agreements but also the extension of existing contracts.

The new target replaces Commerzbank’s previous goal of mobilising approximately EUR 300 billion for sustainable business by 2025. By the end of 2024, the Bank had mobilised EUR 237.4 billion in sustainable financial products.

	<p>include enhancing green loan products, incentive programs for clients, monitoring and reporting processes within the Bank, sector-specific client engagement dialogues to move toward sustainable financing solutions, customized client transformation advisory, client classification under SBTi criteria translated into specific actions and financing solutions, and partnerships and alliances to explore best practices across the industry.</p> <p>The Bank also announced its ambition to achieve net-zero CO<sub>2</sub>e emissions from its banking operations by 2040 and net zero in its portfolio by 2050 at the latest. Finally, Commerzbank is a member of various industry associations including, but not limited to the United Nations Environment Programme Finance Initiative (UNEP FI) and its Principles for Responsible Banking, the United Nations Global Compact, the Principles for Responsible Investment, the Science Based Targets initiative (SBTi), the Net-Zero Banking Alliance, and the Partnership for Carbon Accounting Financials (PCAF).</p> <p><b>Opinion:</b> <i>The Financial Institution has clearly disclosed the purpose of the Sustainable Lending Framework. In its ESG Framework, the Financial Institution puts forth a clear definition of the sustainability objectives for its entire lending activities and a quantified target for Commerzbank AG in Germany in line with the Bank’s wider strategy (as outlined in Part IV of this report). The Financial Institution does not disclose the financing target in value. Commerzbank is a member of various industry associations and has committed to disclose long-term and intermediate targets to support meeting the temperature goals of the Paris Agreement.</i></p> <p><i>Where feasible, the Framework may be further improved by:</i></p> <ul style="list-style-type: none"> <li>▪ <i>Disclosing the financing target in value.</i></li> </ul>
<p><b>2. Definition of sustainable financing activities</b></p>	<p>Under Commerzbank’s ESG Framework, “sustainable finance” includes green loans, social loans and transition loans and includes both financings of expenditures tied to a specific purpose and general corporate expenditures. Transition loans were not assessed under the scope of the External Review.</p> <p>Commerzbank bases its definition of green and social lending on established national and international standards, frameworks and principles, including the LMA’s Green Loan Principles (GLP) and Social Loan Principles (SLP). Furthermore, the Bank considers the EU taxonomy.</p>

### Eligible types of green and social lending

Commerzbank’s ESG Framework sets out types of lending that the Bank considers eligible as green and social lending for tracking and disclosing its performance against its public targets, which include:

- **Dedicated purpose lending**, where the use of proceeds are EU taxonomy-compliant or satisfy either the green or social eligibility criteria or are covered by public funding programmes provided by the Kreditanstalt für Wiederaufbau (KfW), Landwirtschaftliche Rentenbank (LRB) and NRW.Bank.
- **General purpose financing**, where the business mix of the entity satisfies either the green or social eligibility criteria based on the thresholds set out on p. 35 of the Framework. This approach currently applies to CoC Green Infrastructure Finance and EU taxonomy aligned companies.

In addition to the above requirements, lending will not be eligible as sustainable lending for the purpose of its targets if it is covered by Commerzbank’s exclusion criteria and requirements disclosed in the Framework.

### Classification of sustainable lending

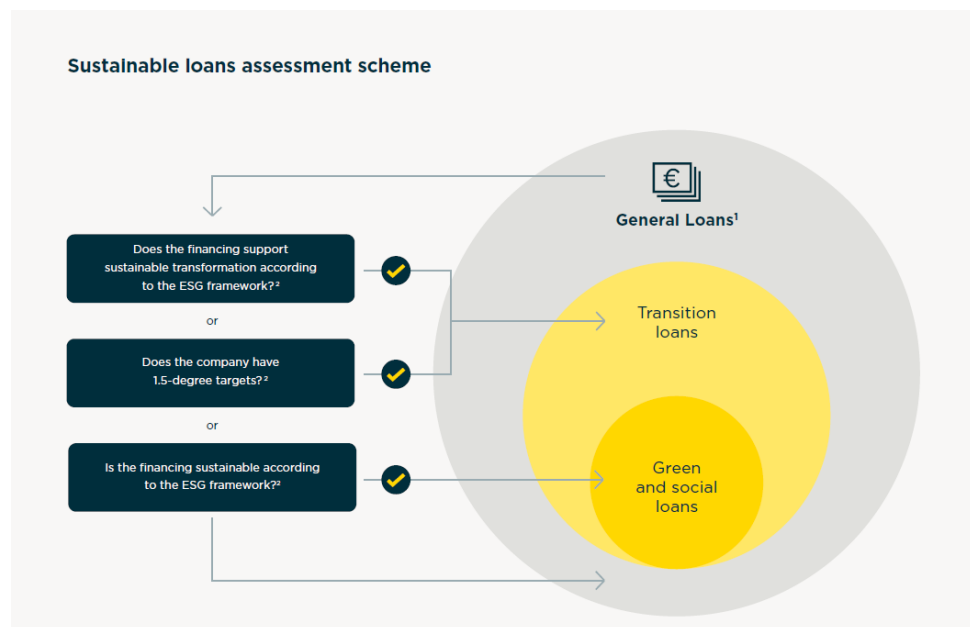


Figure 1. Commerzbank’s sustainable lending classification system<sup>8</sup>

<sup>8</sup> Sustainable loans include transition, green and social loans.

**Instrument scope**

The Bank is including new facilities and, for the corporate clients' segment, the extension of existing facilities. The ESG Framework applies without restriction to Commerzbank AG in Germany<sup>9</sup>.

The product offering addresses corporate and retail clients and includes:

PRODUCT	DESCRIPTION	CRITERIA
<b>Dedicated purpose green, social and EU taxonomy-compliant loans</b>	Term lending or revolving credit facility with a dedicated purpose that is EU taxonomy-compliant or falls within the green or social eligibility criteria.	GLP, SLP and TEG final report on the EU taxonomy and its technical annex
<b>General purpose green, social and EU-taxonomy compliant loans</b>	Term lending or revolving credit facility with a general purpose if more than 90% of a company's revenues come from activities that fall within the green or social eligibility criteria. The review logic for companies is currently only applied to corporate financing under the CoC Green Infrastructure Finance, which is categorized as green loan. Furthermore, it applies to EU taxonomy aligned companies.	GLP, SLP and TEG final report on the EU taxonomy and its technical annex

Table 1. Commerzbank's product scope

The Bank does not disclose information in the Framework on how it ensures alignment with the principles, but it shared internal guidelines with ISS-Corporate. The guidelines describe the procedures in the Bank's corporate

<sup>9</sup> 66% of Commerzbank's credit portfolio across the Group is attributed to Germany.

	<p>clients segment. Alignment with the LMA principles is ensured for corporate clients. The guidelines follow the structure of the principles, including guidance on the use of proceeds; the project selection and evaluation; steps for business initiation; monitoring, reporting and governance.</p> <p><b>Opinion:</b> <i>The Sustainable Lending Framework presents a definition of Commerzbank's green and social lending classification system with clear and transparent criteria for each lending approach, and refers to relevant market principles for its corporate clients but not for retail clients. The eligibility parameters to identify eligible sustainable lending activities are further analyzed in Part II of this report. The Sustainable Lending Framework defines exclusion criteria. The Financial Institution considers the EU taxonomy in its classification system for the subcategory of green use of proceeds.</i></p> <p><i>Where feasible, the Framework may be further improved by:</i></p> <ul style="list-style-type: none"> <li>▪ <i>Disclosing an estimated share of each instrument mentioned in its Framework.</i></li> </ul>
<p><b>3. Evaluation and selection process</b></p>	<p>For all transactions — both new and existing customer relationships — the compliance department checks whether Commerzbank's clients follow relevant national legislation and international standards, including human rights and environmental aspects. The Bank conducts checks and documentation within the know your customer process. More details can be found in Part III of this Review.</p> <p>Then, Commerzbank has guidelines in place to determine which social and environmental requirements apply for controversial sectors, including strict exclusion criteria. The exclusion criteria and requirements are disclosed in the Framework. Commerzbank assesses allegations against companies or projects on a case-by-case review with information from NGOs, analysts, media reports and company publications.</p> <p>To screen new business with customers active in carbon-intensive sectors, it uses the portfolio management transformation criteria from the SBTi. Commerzbank engages in sector-specific client dialogues, particularly in these emissions-intensive sectors.</p> <p>Beyond exclusionary criteria and requirements, the Bank's <a href="#">reputational risk management policy</a> includes early identification and management of environmental/social risks, incorporated in the group's overall risk strategy. Transactions and business relationships in which sustainability aspects are</p>

considered material are researched, analyzed and evaluated. The final assessment of environmental and social risks is executed by the reputational risk management team. A five-point scale of reputational risk (no, low, average, significant, high) is used and can lead to the rejection of a product, transaction or business relationship. In cases where a risk is classified as high, the reputational risk management team can exercise a veto, which can only be lifted after escalation to the board level. Identified risks are included in the quarterly reputational risk report to the board of managing directors and the supervisory board's Risk Committee.<sup>10</sup>

This ESG risk identification and management process is applicable to all products (sustainable finance and general finance). The process for ESG risk identification and mitigation does not apply to retail clients.

Regarding the evaluation and selection process, Commerzbank developed a transparent assessment scheme to classify sustainable loans with dedicated purposes. This review focuses on the process applied to green, social and EU taxonomy-compliant loans. Within the assessment process, the Bank first checks whether the lending is EU-taxonomy-compliant. The specific sales or business units are responsible for collecting the necessary data. Depending on the use case, the assessment is either performed by these units or a back-office unit. If the lending does not meet the EU taxonomy criteria, Commerzbank has defined its own list of sustainable investments, including green and social categories. The borrower must provide the Bank with details of the project description before the loan agreement is concluded, which serves as a basis for the evaluation of whether the loan transaction is sustainable or not.

According to the Framework, for all transactions in the scope of this External Review, relationship managers apply the standards to classify transactions by using specially developed tools. The relationship managers are monitored by the sustainability management team for use of proceeds loans. For lending that remains unclear, the Sustainable Finance Expert Group is consulted, which consists of experts from the areas of corporate clients, sustainability management and environmental risk controlling.

The entire loan business of a company is classified as green or social loan if more than 90% of its revenue comes from activities that are classified as green or social loan according to the ESG framework. This approach

<sup>10</sup> For more details, please refer to Part III.

currently applies to CoC Green Infrastructure Finance and EU taxonomy aligned companies. Under CoC Green Infrastructure Finance, Commerzbank offers bilateral and syndicated project financing for renewable energy and other green infrastructure projects, along with a full range of corporate banking services for companies in the renewable energy sector. Commerzbank applies this approach through a dedicated division, the Center of Competence Green Infrastructure Finance (CoC GIF), which consists of three departments, including CoC Green Infrastructure Finance Client Coverage acting as the Client Owner unit. This unit supports corporate clients in the wind and solar energy value chain and project finance customers in renewable energy and related technologies. Clients with annual turnover exceeding EUR 50 million in renewable or other sustainable sectors may be supported by CoC GIF after prior review. As part of the plausibility check for sustainable loan ratio reporting, the corporate client list is reviewed annually to ensure the company's business purpose aligns with sustainable loan use under the ESG framework; deviations are discussed with CoC GIF, and loans without sufficient eligibility reasoning are excluded from quarterly reporting.

General-purpose loans to companies aligned with the EU Taxonomy are granted based on disclosures provided in accordance with Article 8 of Regulation (EU) 2020/852.<sup>11</sup> Loans are weighted using borrower KPIs based on turnover and CapEx. Counterparty KPIs come from external providers and reflect 2023 disclosures; positions lacking data were classified as Taxonomy-non-eligible or non-aligned. Subsidiary exposures are assessed using parent company KPIs where applicable. Responsibility for Commerzbank's EU Taxonomy reporting rests with the project team "TP 03 EU-Taxonomie," which is part of the strategic initiative SI Sustainability 360°.

Promotional loans are determined based on relevant programs identified by the Group Sustainability Management division (GM-STs), and the list of eligible programs is reviewed annually with product specialists. Existing programs are assessed against ESG Framework, and new programs are reviewed for eligibility to ensure compliance with LMA use-of-proceeds principles. Loan processing involves exchanges with promotional banks documented in Adonis processes, including the internal guidelines "CBK Promotional Loans (Adonis Process)" and "CBK Promotional Loans Rahmen".

<sup>11</sup> Commerzbank, [Sustainability report](#), p. 92

For retail clients, predefined types of loans (green mortgage loans, KlimaDarlehen (investment loans for specific sustainable uses in the energy, real estate, transport and storage sectors) and KlimaKredit (installment loans for retail customers to help them improve their private energy efficiency) are automatically considered sustainable finance. The process to add new types of loans to the list of sustainable products is defined in the internal "New Product Process (NPP) Policy" and operationalized by the group sustainability management and capital and risk analytics departments. This policy establishes the bank's internal rules for new product initiatives, defines the roles and responsibilities of all involved units, and ensures compliance with European regulatory requirements governing the New Product Process. Further guidance for flagging loans as sustainable is provided for every type of loan. The process is executed by the relationship manager and includes checking the use of proceeds. As mentioned above, retail loans are verified through the NPP process to ensure appropriate procedures, instructions, and controls are in place, including the requirement that the use of proceeds is explicitly stated in the loan contract and that disbursement is conditional upon evidence of eligible use of funds. This verification applies to all sustainable retail products. GM-STS Group Sustainability Management performs several control layers: a semi-annual risk-oriented sampling review of transactions within the Sustainable Loan Ratio (per Sustainable Finance Guideline section 3.7), approval of any changes to guidelines or instructions (section 3.6), and regular greenwashing risk assessments for each sustainable loan product group (per Greenwashing Risk Management Guideline section 3.3.3). These measures collectively ensure retail clients comply with established sustainability criteria.

**Opinion:** *The process for sustainable lending transaction evaluation and selection is defined based on the eligibility criteria and structured in a congruous manner for use of proceed and general-purpose loans for corporate clients. For retail clients, the selection and evaluation process is predefined for certain types of loans, each with specific financing conditions, and any approval of a new loan type will need to follow the New Product Process. Responsibilities that mainly lie with the relationship managers across different departments are described in the internal guidelines shared by Commerzbank. ESG risks associated with sustainable activities to be financed are identified and managed appropriately. Commerzbank defines exclusion criteria for controversial sectors to conduct an enhanced due diligence process when financing controversial sectors. For example, the Financial Institution has guidelines in place to mitigate climate risks associated with the eligible transactions, including but not limited to asking for clients' strategy in managing physical risks and transitional risks.*

**4.  
Governance  
and  
monitoring**

According to the New Product Process (NPP), Commerzbank internally reviews NPP-approved products, including all financial products that are classified as sustainable, at least once a year. The sustainability management team ensures that the classification is appropriate.

Loans with a dedicated purpose are monitored by the responsible credit administration unit, which oversees and reviews the timely submission of the documents of proof. In the event of any deviations, the responsible relationship manager or product specialist must be informed and will clarify the matter with the customer. If a deviation occurs during the term, the responsible relationship manager or product specialist must confirm whether the use of proceeds continues to be sustainable according to the Framework.

General-purpose loans provided as CoC Green Infrastructure Financing are exclusively served to clients by the Competence Center Green Infrastructure Financing (CoC GIF), where individual customers are selected based on sustainability projects. Only clients meeting these criteria are supported within this portfolio, which covers key areas such as onshore and offshore wind energy, solar energy, and technologies supporting the energy transition. If a client becomes ineligible e.g., by failing to meet green infrastructure requirements or engaging in non-sustainable activities they are no longer served by CoC GIF. Companies, particularly renewable energy project developers, that meet defined ESG entry criteria are integrated into CoC GIF's support model and monitored during credit applications and annual renewals to ensure compliance. Alignment is generally guaranteed by the developers' business models; any deviation would indicate a fundamental change, requiring the client to exit the support model and move to another unit. Additionally, Group Sustainability Management conducts regular eligibility checks for each company.

For general-purpose loans granted to companies aligned with the EU Taxonomy, procedures for Taxonomy eligibility and alignment are in place, supported by new software introduced in 2024 to partially automate screening. Taxonomy alignment is assessed for eligible exposures critical to business activities, with new processes introduced as needed to collect customer data. Where technical screening criteria could not be verified with reasonable effort, exposures were classified as Taxonomy-non-aligned. There is no lock-in effect after disbursement, as the relevant loans are reassessed annually using the most recent taxonomy KPIs published within the framework of the bank's EU Taxonomy reporting process. This evaluation against company KPIs applies only to firms that are required to report EU Taxonomy KPIs. If reporting obligations change or taxonomy KPIs are updated, these adjustments are incorporated into Commerzbank's EU Taxonomy reporting.

For promotional loans, as mentioned above, loan processing involves exchanges with promotional banks documented in Adonis processes, including the internal guidelines “CBK Promotional Loans (Adonis Process)” and “CBK Promotional Loans Rahmen”. As with other loan types, promotional loans are disbursed only after verifying that the use of proceeds meets the criteria, with tracking and verification steps following these guidelines. Due to the very low transaction volume (e.g., max EUR 4 million in Q4 2025), Commerzbank deems annual reporting of negative project impacts under LMA principles as not adequate for promotional loans. Each transaction is tracked and flagged in the central ESG data hub. Based on the flagging, the share of green and social loans is calculated. Flags change automatically based on the data in the underlying systems. This can lead to delisting dedicated purpose loans, if the criteria are no longer met. The ESG Hub updates flags for the entire loan portfolio daily.

For use of proceeds loans, Commerzbank relies on information provided by the customer. EU taxonomy compliance is based on data from external providers.

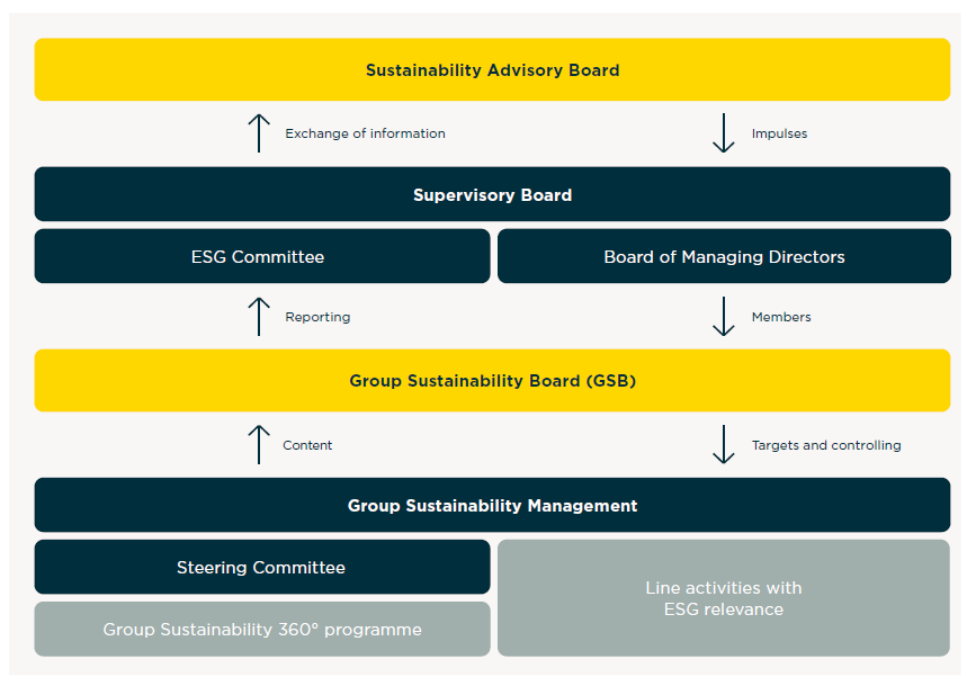


Figure 2. Sustainability governance at Commerzbank

Within Commerzbank, the board of managing directors develops the strategy (including sustainability issues), discusses it with the supervisory board and ensures its implementation. Each member of the board of managing directors is responsible for implementing measures to improve sustainability in its area. Central sustainability management reports to the chairwoman of the managing board. The Group’s sustainability board, which meets every eight weeks, defines the Bank’s strategic sustainability goals and oversees management and implementation measures. The ESG

	<p>Framework was approved by the Group’s sustainability board. The Group’s sustainability management is responsible for the further development of the sustainability strategy and comprehensive governance. The sustainable business management or the CC expert group is involved in the selection and evaluation process of the transactions.</p> <p><b>Opinion:</b> <i>The Financial Institution clearly describes the process to monitor if a financial transaction remains eligible during all its life cycle on a regular basis and explains the data collection, tracking and reporting mechanisms of the current/past transactions in its internal guidelines for use of proceed and general-purpose loans. In the Framework, Commerzbank clearly explains how the board and dedicated committees provide oversight of ESG-related issues through the development of the ESG framework, specifically the sustainable finance classification system. The Bank set a delisting mechanism.</i></p>
<p><b>5. Reporting</b></p>	<p>Commerzbank will report on progress against its targets as part of its non-financial reporting and in its quarterly earnings reports, which are publicly available on its website as long as the ESG targets remain in place.</p> <p>The latest version of the ESG Framework is published on Commerzbank’s website.</p> <p>Additionally, Commerzbank publicly disclosed its answers on how it contributes to the SDGs through its financing activities within the Principles for Responsible Banking reporting in the non-financial reporting and self-assessment requirements. The Bank aims to have a positive impact on climate change adaptation through its financing activities.</p> <p><b>Opinion:</b> <i>Commerzbank commits to publicly and annually report its sustainable lending share as long as its ESG targets remain in place. The Bank discloses the impact of its banking activities following robust guidelines such as the Principles for Responsible Banking.</i></p>
<p><b>6. External review</b></p>	<p>Commerzbank will report on the target in its sustainability reporting, which is part of the Group’s management report in the annual financial statements. The sustainability report is reviewed by an auditor with limited assurance.</p> <p>The Bank appointed ISS-Corporate to provide an External Review of the Sustainable Lending Framework and its alignment with the Bank’s overall strategy for the second year in a row.</p> <p>The frequency that Commerzbank’s ESG Framework is reviewed is at Commerzbank’ discretion, including reviewing its alignment with evolving market practices and guidelines.</p>

**Opinion:** *The Financial Institution commits to have an external auditor verify the transaction information for all sustainable finance instruments annually, with a minimal limited assurance level. Commerzbank sought an external review of the current ESG Framework for the second year in a row, in line with best market practices. The Financial Institution conducts a regular review on the ESG Framework and provides updates based on best market practices.*

## PART II: ASSESSMENT OF COMMERZBANK'S SUSTAINABLE LENDING CLASSIFICATION SYSTEM

### A. ASSESSMENT OF THE CRITERIA OUTLINED IN COMMERZBANK'S SUSTAINABLE LENDING CLASSIFICATION SYSTEM<sup>12</sup>

To provide an opinion on the sustainability credibility of each of the key sets of criteria defined by Commerzbank, this review evaluates the prevalence and robustness of the selection parameters, taking into account market practices across different sustainable finance asset classes.

Commerzbank has set forth the following sets of eligibility criteria for its financing activities to be classified as sustainable:

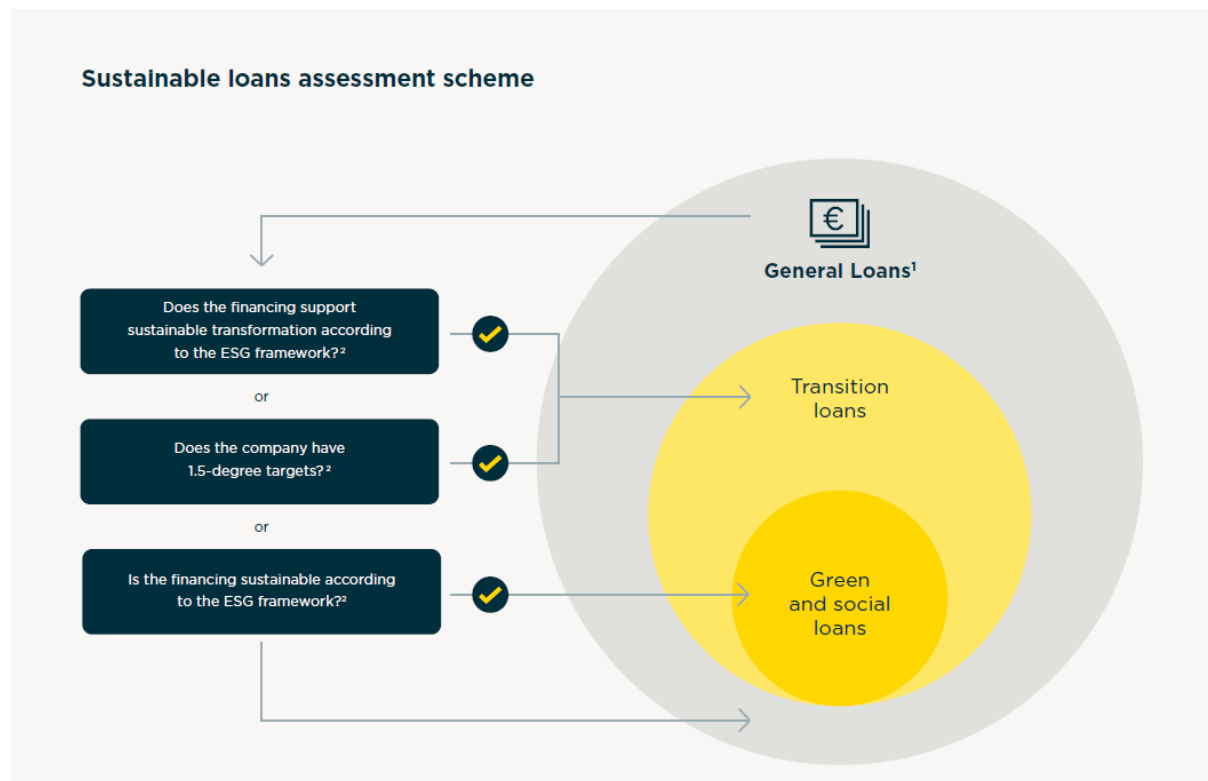


Figure 1. Commerzbank's sustainable lending classification system<sup>13</sup>

The assessment process and criteria implemented under Commerzbank's Sustainable Lending Framework are outlined below. The evaluation is based on criteria derived from market practices.<sup>14</sup>

<sup>12</sup> Transition loans were not assessed under the scope of the External Review.

<sup>13</sup> Sustainable loans include transition, green and social loans.

<sup>14</sup> These include but are not limited to ICMA's Green Bond Principles, Social Bond Principles, Sustainability Bond Guidelines, Sustainability-Linked Bond Principles and Climate Transition Finance Handbook; the LMA's Green Loan Principles, Social Loan Principles and Sustainability-Linked Loan Principles; the UNEP FI PRB; and the EBA Guidelines on loan origination and monitoring.

PARAMETER	CRITERIA	ASSESSMENT OF COMMERZBANK'S SUSTAINABLE FINANCE CLASSIFICATION SYSTEM
<p><b>Dedicated purpose financing (standard approach)</b></p>	<p>Dedicated purpose financing contributes to sustainability objectives if proceeds are exclusively allocated to activities that are subject to specific and credible ESG-related eligibility criteria.</p>	<p>Under the dedicated purpose approach, the Bank classifies green, social and transition loans as sustainable. EU taxonomy-compliant loans are a subcategory of green use of proceed loans, where funds are utilized in accordance with the EU taxonomy, including the technical screening criteria for substantial contribution, do no significant harm criteria and minimum social safeguards. Furthermore, public funding programmes provided by the Kreditanstalt für Wiederaufbau (KfW), Landwirtschaftliche Rentenbank (LRB) and NRW.Bank<sup>15</sup> fall into the category of sustainable products. The following project categories will be financed: energy efficiency, renewable energy and the environment, climate protection, new construction, refurbishment, sustainable mobility, reducing barriers, increasing comfort and protecting against burglary, federal funding for efficient buildings, climate-friendly new buildings and provision of basic infrastructure. Under sustainable loans, Commerzbank will finance green projects such as renewable energy, energy efficiency measures and conservation initiatives, as well as social projects, such as health and education projects, programs to combat poverty, or social integration initiatives. The criteria are described in the Framework.</p>

<sup>15</sup> Per definition, promotional banks are 'legal entities carrying out financial activities on a professional basis which are given a mandate by a Member State or a Member State's entity at central, regional or local level, to carry out development or promotional activities'.

		<p>The Bank ensures that 100% of the financing is used for green and social eligibility activities. According to Commerzbank’s Framework, for transactions, the Bank internally checks alignment with the GLP and SLP for corporate loans. For retail clients, alignment with LMA principles is not applicable.</p> <p>The Bank has selection processes in place to ensure that borrowers have appropriate processes to identify and mitigate ESG risks. In the case of loans with a dedicated purpose, the use of proceeds must be proven before each disbursement. The obligation to submit corresponding proof of use of proceeds must be established in the loan agreement. The customer shall submit suitable documents (e.g., invoices, delivery documents) to the relationship manager or product specialist for the approved project and receive approval of the funds after a thorough review. The responsible credit administration unit monitors the use of proceeds for loans with a sustainable purpose. Additionally, the Bank encourages its borrowers to report frequently.</p> <p>For mortgages, a transaction might include several financing components which potentially leads to partial eligibility. Commerzbank only counts the pro-rated part of the transaction as sustainable finance.</p> <p><b>Opinion:</b> <i>The eligible project categories are based on market standards. In this report, we will not conduct a comprehensive assessment of the sustainability</i></p>
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		<p><i>impact of the Bank's eligibility criteria, which are provided in the Framework. This may or may not result in the classification of lending as sustainable while the underlying asset is not positively contributing to environmental and social objectives. Commerzbank refers to relevant market standards (i.e., the GLP and SLP) for corporate loans. 100% of the proceeds are used for green and social eligibility activities. For corporate clients, the Bank has selection processes in place to ensure that borrowers have appropriate processes to identify and mitigate ESG risks, and encourages its borrowers to report frequently. Promotional loans are structured to align with sustainable market practices, ensuring compliance with internationally recognized GLP and SLP. Commerzbank encourages alignment of private instruments (syndicated loans) with market standards (i.e., the GLP/SLP) through an external verification process. In cases of partial eligibility of mortgages, Commerzbank only counts the pro-rated part of the transaction as sustainable finance. The Bank tracks if borrowers are transparent on which component of the project each disbursement relates to.</i></p> <p><i>Where feasible, the selection process may be further improved by:</i></p> <ul style="list-style-type: none"> <li>▪ <i>Ensuring alignment of bilateral loans with market standards (i.e., the GLP/SLP) through an external verification process.</i></li> </ul>
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<p><b>General purpose financing (standard approach)</b></p>	<p>General purpose financing contributes to sustainable objectives if the funds are allocated to companies that derive a majority of their revenue/CapEx R&amp;D or OpEx from designated eligibility criteria. Generally accepted thresholds in the market are <math>\geq 90\%</math><sup>16</sup> to designate green or social “pure players” with a defined exclusion list for the remaining share.</p>	<p>According to Commerzbank’s Framework, to be classified as sustainable, the recipient needs to derive from its core business at least 90% of its revenues from eligible categories listed in the SLF under <u>Green Infrastructure Guidance</u> or classify as EU taxonomy aligned company. The Bank provides an exclusion list for the remaining share in the ESG Framework.</p> <p>Commerzbank’s Center of Competence Green Infrastructure Finance (CoC GIF) provides bilateral and syndicated financing for renewable energy and green infrastructure projects, alongside corporate banking services for companies in the sector. CoC GIF supports clients in wind, solar, and energy transition technologies, subject to sustainability criteria and annual reviews under ESG frameworks. Only eligible clients are served within this portfolio; those failing to meet green requirements are excluded.</p> <p>Commerzbank grants general-purpose loans to companies aligned with the EU Taxonomy based on Article 8 disclosures of Regulation (EU) 2020/852. Loan weighting uses borrower KPIs (turnover and CapEx), sourced from external providers and 2023 data; missing data results in classification as non-eligible or non-aligned. Subsidiary exposures rely on parent KPIs where applicable. EU Taxonomy reporting is managed</p>
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<sup>16</sup> [Green Bond Principles, Appendix I \(June 2025\), Note J](#), and [Climate Bonds Initiative Standard Version 4.0](#) (version April 2023), [Green Bond Database Methodology, July 2022](#).

		<p>under the “TP 03 EU-Taxonomie” project within SI Sustainability 360°. Processes for eligibility and alignment are supported by new software introduced in 2024 to partially automate screening. Alignment is assessed for critical exposures, with additional data collection where needed. If technical criteria cannot be verified, exposures are marked non-aligned. Loans are reassessed after disbursement using the latest taxonomy KPIs; evaluations apply only to companies obligated to report. Changes in reporting obligations or KPIs are integrated into Commerzbank’s EU Taxonomy reporting.</p> <p><b>Opinion:</b> <i>In this report, we will not conduct a comprehensive assessment of the sustainability impact of the Bank’s eligibility criteria. This may or may not result in the classification of financing as sustainable while the underlying asset is not positively contributing to environmental and social objectives. The 90% threshold proposed is appropriate and in line with market practices for classifying sustainable businesses. The Bank provides a set of eligibility criteria in their Framework. The Bank commits to metrics such as revenue. We also note the inclusion of a safeguard with respect to the remaining 10% to exclude potential financing toward harmful activities. Commerzbank encourages alignment of private instruments (syndicated loans) with market standards (i.e., the GLP/SLP) through an external verification process.</i></p>
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		<p><i>Where feasible, the Framework may be further improved by:</i></p> <ul style="list-style-type: none"><li>▪ <i>Ensuring alignment of bilateral loans with market standards (i.e., the GLP/SLP) through an external verification process.</i></li></ul>
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## PART III: ASSESSMENT OF COMMERZBANK'S ESG RISK MANAGEMENT

The table below evaluates Commerzbank's ESG-specific risk management measures and policies that are considered relevant at group level and that are considered relevant in the context of its sustainable financing activities. The KPIs emphasize sustainability-related risks considered relevant to the Bank's operations. The KPIs are derived leveraging the [ISS Sustainability Corporate Rating](#) to identify the relevant topics based on its industry. The minimum requirements for a positive assessment are based on the number of sub-indicators (specific to each KPI) that are satisfied as part of any KPI.

As of Nov. 6, 2025, 90% of assets are located in Germany. Potentially, assets can be located in the following countries: Australia, Austria, China, the Czech Republic, France, Italy, Japan, the Netherlands, Poland, Singapore, Spain, Switzerland, the U.K. and the U.S.

### ASSESSMENT AGAINST KPIs

#### ESG guidelines into the lending process

Commerzbank divides its portfolio into general finance and sustainable finance. The following ESG guidelines apply to both types of financing.

Commerzbank integrates environmental and social considerations into its business activities through sector-specific exclusion criteria and transformation requirements established by the Group Sustainability Management function. These apply to business relationships, projects, and transactions. In addition, prospective borrowers are assessed against portfolio management transformation criteria based on the SBTi methodology, as outlined in Part I of this Review. Specific exclusions and requirements for the defense and fossil fuel sectors are detailed in the following guidelines:

- Fossil Fuels: Exclusion Criteria and Requirements (Guideline)
- Defense and Surveillance Technology at Commerzbank AG (Guideline)

Reputational risks arising from environmental and social risks are assessed following the requirements set out by Commerzbank's reputational risk management function. The exclusion criteria, transformation requirements and reputational risk requirements are also comprised within the Guidelines entailing ESG Positions and Reputational Risk Management in the Corporate Clients and private and small-business customers segments. Reputational risk screening is performed only for customers in controversial sectors such as defense, mining, energy and fossil fuel extraction.

For corporate clients in carbon-intensive sectors, Commerzbank established an ESG voting process within the existing decision-making body, the Inflow Steering Committee. As part

of the ESG vote, qualitative and quantitative information is reviewed to assess whether an exposure tends to be above, on or below the targeted carbon reduction path.

Additionally, for all transactions, the compliance department checks whether Commerzbank follows relevant national legislation and international standards for human rights and the environment. For new and existing customer relationships, the Bank conducts checks and documentation within its Know Your Customer (KYC) process.

At the institution level, Commerzbank conducts a materiality analysis for ESG risks annually across all risk types (i.e., environmental, social and governance risks). This assessment is part of Commerzbank's Internal Capital Adequacy Assessment Process and is conducted in accordance with regulatory requirements and internally developed methodologies. As a consequence of the analysis, material ESG risks are integrated into Commerzbank's strategy processes, the internal reporting and other capital adequacy assessment processes.

### ESG guidelines into the lending process for forestry, agriculture and aquaculture

In recognition of the specific ESG risks in these sectors, Commerzbank defined specific exclusions and requirements that aim to mitigate ESG risks.<sup>17</sup> Additionally, Commerzbank defines the types of projects in these sectors that can be considered sustainable.<sup>18</sup>

### Labor, health and safety

The majority of assets are and will be located in Germany, where high labor, health and safety standards are ensured by the relevant national legislation and the European Union's mandatory social standards.



Commerzbank's compliance department ensures that relevant local and international laws, including some human rights aspects, are verified in the relationship with the Bank's clients in OECD member countries. For non-OECD member countries and in the context of Equator Principles-relevant transactions, Commerzbank has adopted IFC Performance Standards, which will be used as a benchmark for due diligence assessments including labor, health and safety aspects, where relevant. The Equator Principles Office is responsible for the implementation of the Equator Principles.

An annual risk assessment in compliance with the [Act on Corporate Due Diligence Obligations in Supply Chains](#) is performed across the entire global portfolio. In this process, the Bank's own business and direct

<sup>17</sup> The specific requirements for these sectors are explained on Page 14f of the Sustainable Lending Framework.

<sup>18</sup> The types of projects that can be considered sustainable by Commerzbank are described on pages 40 and 42 of the Sustainable Lending Framework.

suppliers are assessed and risks are identified and grouped into the following categories:

- Disregard for occupational health and safety and health hazards
- Disregard for freedom of association, freedom of assembly and collective bargaining
- Violation of the prohibition of unequal treatment in employment
- Violation of the prohibition of withholding an equitable wage
- Destruction of natural resources by environmental pollution

Identified risks will be weighted and prioritized based on severity, ability to influence and causal contribution, which determines the necessity and nature of preventive measures including controls, trainings, social audits and/or other measures.

A systematic review of the health and safety risks related to specific project(s) financed was introduced following signature of the Equator Principles.

Human rights controversy screening is performed systematically for corporate clients in sectors such as mining, raw materials extraction or cotton production by reputational risk management. The assessment may lead to the rejection of corresponding transactions or to the termination of respective business relationships.

**Biodiversity**

The majority of assets are and will be located in Germany, which is an Equator Principles Designated Country, meaning it is deemed to have robust environmental and social governance, legislation systems and institutional capacity designed to protect its people and the natural environment.



Commerzbank also has pre-screening and relevant due diligence processes in place, systematically ensuring that financing offered does not impact High Conservation Value areas and UNESCO World Heritage Sites, and that the use of environmentally harmful chemicals or illegal slash-and-burn practices are considered as part of a case-by-case assessment. Additionally, in December 2023, it adopted a new policy and objectives to mitigate deforestation.

Commerzbank assesses and discloses nature-related risks and opportunities following the recommendation of the Taskforce on Nature-related Financial Disclosures.<sup>19</sup>

### Dialogue with local communities

The majority of assets are and will be located in Germany, as well as Australia and Japan for green infrastructure projects, so Commerzbank ensures that its impacts on the communities have been mitigated and reduced as these are Equator Principles Designated Countries.



Infrastructure financing is only awarded if permits for the development are available. As part of the permitting process, residents can submit applications and express their concerns. The process is valid for new and upgraded projects. In case of upgraded projects, the process might already have taken place when the project was built, but it will anyways be reviewed. If such concerns are raised, Commerzbank engages with legal experts.

### Inclusion

The majority of borrowers are and will be located in Germany. Therefore, Commerzbank relies on legislation to mitigate discrimination of people based on their gender, nationality, ethnic origin, religion or beliefs, disability, age, sexual orientation, or gender identity.<sup>20</sup> The Bank complies with Germany's [General Equal Treatment Act](#), which intends to prevent discrimination of employees and customers. Moreover, Article 3 of the [German constitution](#) states that no person shall be favoured or disfavoured based on characteristics previously mentioned. The Bank's [Code of Conduct](#) goes beyond legal and regulatory requirements and sets standards for employees in the Commerzbank Group, thereby indirectly affecting its customers.



Commerzbank integrates diversity and inclusion in its governance structure and has designed an action plan based on the U.N.'s Convention on the Rights of Persons with Disabilities. In 2018, Commerzbank became the first bank in Germany to make a voluntary public commitment on this issue. The action plan includes commitment to goals and measures aimed at improving the situation of people with disabilities within Commerzbank. This includes the Bank's employees, customers and suppliers and encompasses barrier-free access to the workplace and to

<sup>19</sup> As outlined in Commerzbank's 2024 [Annual Report](#).

<sup>20</sup> Ibid.

working tools, as well as the implementation of accessibility in its digital offerings for customers.



The social service category is not fully public/municipal or private but free and/or subsidized. Therefore, Commerzbank cannot ensure universal access to the service, especially to vulnerable or disadvantaged populations.

### Data protection and information security



The Bank has policies in place systematically ensuring that data collection processes on borrowers meet minimum and legal requirements for data and information security and outsourcing, in line with the requirements of the EU General Data Protection Regulation.<sup>21</sup> The internal IT security management system conducts safety tests of IT systems (such as penetration tests and vulnerability scans) to ensure cyber and information security and management of cyber risk is appropriately carried out in alignment with ISO 27001. Monitoring and verification tests are conducted annually on third parties via audits. Regarding data outsourcing, contractors must provide a certification according to ISO 27001 or a comparable proof for an existing information security management system. Additionally, as of 2025, the [Digital Operational Resilience Act](#) will be implemented on all ICT service provider contracts to increase the digital operational resilience of the financial sector. This is done through ICT risk management, monitoring of third-party risk providers, digital operational resilience testing, reporting of ICT incidents, exchange of information and intelligence on cyber threats, and oversight.

### Responsible treatment of customers with debt repayment problems



The Bank has some measures in place for responsible treatment of customers with debt repayment problems. As part of the credit approval process, the Bank screens the borrower's profile against the internal guidelines and indicators of the creditworthiness test (e.g., lump sum, living costs, annual financial statements, salary statements or asset statements) to determine the borrower's ability to service capital and establish a rating of the borrower's credit risk profile. Additionally, forecasts are made to assess any changes in the customer's financial conditions for the entire duration of the loan. In such cases, the Bank also implemented early risk detection systems, which enables the Bank to approach customers with potential financial difficulties at an early stage. The process is also in line with the [German civil code](#) and the German [Banking Act](#), as well as the Federal Financial Supervisory Authority and the European Banking Authority guidelines on lending and

<sup>21</sup> As outlined in Commerzbank's [data protection policy](#).

monitoring (EBA GL LOaM). As part of preemptive actions, the Bank also offers educational programs regarding financial literacy, such as [Commerzbank Akademie](#) and [finanz-heldinnen](#), which focuses on educating women. Moreover, the Bank offers communication channels in case of dispute with its internal personnel. The client has the opportunity to contact the ombudsman or the European online dispute resolution platform (OS platform). The Bank participates in Bankenverband's [ombudsman procedure](#) for dispute resolution. Consumers may have any disputes with the Bank resolved by the ombudsman.<sup>22</sup>

In case of debt restructuring problems, the Bank may offer forbearance measures in accordance with Article 4.2 of the European Central Bank's March 2017 [guidance to banks on non-performing loans](#). Examples of such measures are reduced payments, payment moratorium, interest rate reduction, extension of the term, rescheduled payments and debt forgiveness. In the case of retail clients, the Bank requires customer consent in case of mortgage sale and would only sell mortgages under conditions that are not detrimental to clients and in accordance with the Code of Civil Procedure and the Law on the Forced Sale of Property, guaranteeing that all alternative options are examined before undertaking foreclosure as a last resort, and providing support to clients in finding adequate housing prior to foreclosure.

While Commerzbank cannot provide a commitment to debt restructuring options under non-detrimental conditions for all options under all situations, the Group Policy Forbearance establishes the framework for debt restructuring in line with regulatory requirements, including ECB guidance on non-performing loans. It is implemented through the Forbearance Guideline, which details procedures to ensure fair, sustainable, and compliant restructuring. Measures are designed to match borrowers' repayment capacity while safeguarding risk management, supported by regular reviews and monitoring for effective application.



### Sales practices

Commerzbank has measures in place to ensure responsible sales practices.



The sales personnel's compensation is based on the Bank's business and risk strategy, regulatory requirements and sustainability targets set at the Bank level. There is no individual sales target set for the sales personnel. The remuneration policy clarifies that significant dependency on variable remuneration must not take place, and ethical considerations such as

<sup>22</sup> As outlined in Commerzbank's [General Business Conditions](#) and [legal notices](#).

breaches of compliance regulations (e.g., the Culture of Integrity) and the Bank's Code of Conduct are included in the calculation of bonuses. Negative performance contributions, especially unethical or duty-violating behavior as defined by the Institutsvergütungsverordnung, cannot be offset by positive individual performance contributions. Customer feedback via the Customer Satisfaction Score and recommendation rate are considered.

Commerzbank provides training for its registered investment advisors and managers to ensure responsible sales practices in line with BaFin's MaComp requirements. The training covers role-specific responsibilities, conduct rules, organizational standards, product knowledge (including risks of complex instruments and structured deposits), regulatory updates (MiFID II, MaComp, ESMA), conflict of interest management, and remuneration guidelines. It also equips staff to implement processes for assessing client knowledge and experience, identifying target markets, conducting suitability assessments, and documenting product fit, with special emphasis on complex products and structured deposits. Additionally, Commerzbank has implemented a monitoring process to ensure adherence to sales procedures and has established clear responsibilities through internal policies. Its complaints management framework defines criteria for identifying customer complaints, including those related to securities, in compliance with legal requirements. Quality standards guarantee that complaints are addressed appropriately and without delay. Additionally, investment recommendations undergo random quality checks at the central level. Any regulatory findings are communicated to the responsible sales representative, who, if necessary, initiates corrective measures such as requesting a revised recommendation or arranging a new advisory meeting.

## Marketing



The Bank has measures in place to ensure responsible marketing practices. These include commitments to provide clear evidence, transparent and comprehensive communication, and relevant product information, including the declaration of suitability and the Product Information Sheet and Basic Information Sheet, on the potential risks and rewards of the recommended financial instruments. Additionally, the Bank refrains from misleading messages, advertising or using small print. Commerzbank has a policy with a public commitment to clear pricing and no hidden costs, listing all the products and their related costs.<sup>23</sup>

<sup>23</sup> As outlined in Commerzbank's [General Business Conditions](#) and its outline of its [rates and charges](#).

### Carbon-related financing



The Bank is transparent about the volume of carbon-related financing, which amounts to EUR 88,914 million.<sup>24</sup> The sectors covered include agriculture, forestry, mining and quarrying, manufacturing, electricity, gas, steam and air conditioning supply, water supply, sewerage, waste management and remediation activities, construction, wholesale and retail trade, repair of motor vehicles and motorcycles, transportation and storage, accommodation and food service activities, and real estate activities.



Globally, Commerzbank set public targets to reduce its financed emissions by the end of 2030 in the most carbon intensive sectors, aiming to reach net zero in 2050.<sup>25</sup>

### Financed emissions



The Bank measures its financed emissions through the SBTi's Sectoral Decarbonization Approach for calculating carbon emission intensities (energy residential mortgages and commercial real estate, cement, automotive, aviation, iron and steel) and the Temperature Rating Methodology to determine the "temperature value" of its portfolio and define reduction pathways in line with the goals of the Paris Agreement.<sup>26</sup> However, these computations apply to on-balance-sheet instruments. Additionally, Commerzbank is a member of the PCAF and has readjusted its baseline to 2021 to adapt to the standards.

### Exclusion policy

The Bank's policy has clear restrictions on financing certain controversial activities, such as nuclear power, fossil fuels (including coal, oil and gas), mining, controversial weapons, deforestation and agricultural commodities, and ship breaking. In addition to the exclusion of specific areas, allegations against companies or projects are also considered in the scope of reputational risk management assessments for sensitive topics, and a risk-screening process applies to avoid any breach of the Bank's Anti-Fraud and Anti-Bribery and Corruption policies.<sup>27</sup>

<sup>24</sup> [Commerzbank Pillar 3 Report](#) as of Jun. 30, 2025

<sup>25</sup> As outlined in Commerzbank's [ESG Framework](#).

<sup>26</sup> The Bank relies on the SBTi target pathways. For the energy, real estate and mortgages (private, residential and commercial), and cement sectors, this is based on the 1.5-degree scenario. For the aviation, automotive, iron and steel sectors, the target calculation is based on the 1.8-degree scenario. The Bank commits to adjust the reduction target with the gradual expansion of the sector-specific net-zero pathways by the SBTi.

<sup>27</sup> As outlined in Commerzbank's [Code of Conduct](#).

## PART III: CONSISTENCY OF THE SUSTAINABLE LENDING FRAMEWORK WITH COMMERZBANK'S SUSTAINABILITY STRATEGY

*Key sustainability objectives and priorities defined by Commerzbank*

TOPIC	COMMERZBANK'S APPROACH
<b>Core ESG pillars</b>	<p>The Bank focuses on the following ESG pillars:</p> <ul style="list-style-type: none"> <li>▪ climate protection and adaptation</li> <li>▪ environmental protection and biodiversity</li> <li>▪ resource utilization</li> <li>▪ conservation and circular economy</li> <li>▪ equal opportunities and diversity</li> <li>▪ education and enablement</li> <li>▪ health and security</li> <li>▪ human rights and employees' rights</li> <li>▪ governance and compliance</li> <li>▪ product transparency and data security</li> </ul>
<b>Definition of core ESG pillars</b>	<p>The ESG pillars of the Bank have been defined through a materiality assessment, ESG Frameworks (CSRD, CDP, and GRI) and through stakeholder engagement.</p>
<b>ESG targets and timeline</b>	<p>To achieve its ESG commitments, the Bank has set the following targets and timeline:<sup>28</sup></p> <ul style="list-style-type: none"> <li>▪ Pursuing net-zero target: net-zero banking operations by 2040 and net-zero portfolio by 2050 at the latest (verified by SBTi)</li> <li>▪ Minimizing deforestation in its customer portfolio</li> <li>▪ Reaching 40% women in management positions across all management levels by 2030</li> </ul> <p>The goals are public and monitored annually.</p>
<b>Science-Based Targets</b>	<p>To achieve and maintain its ESG commitments, the Bank has set the following verified science-based targets and timeline:<sup>29</sup></p> <ul style="list-style-type: none"> <li>▪ Reduce absolute scope 1 and scope 2 GHG emissions 42% by 2030 from a 2021 base year</li> </ul>

<sup>28</sup> [Sustainability Report, 2024.](#)

<sup>29</sup> Targets available [here](#).

TOPIC	COMMERZBANK'S APPROACH
	<ul style="list-style-type: none"> <li>▪ Align its scope 1 + 2 portfolio temperature score by loan value within its other long-term corporate loan portfolio from 3.11°C in 2021 to 2.69°C by 2026</li> <li>▪ Align its scope 1 + 2 + 3 portfolio temperature score by loan value within its other long-term corporate loan portfolio from 3.15°C in 2021 to 2.71°C by 2026</li> <li>▪ Align its scope 1 + 2 portfolio temperature score by invested value within its listed equity and corporate bond portfolio from 3.03°C in 2021 to 2.63°C by 2026</li> <li>▪ Align its scope 1 + 2 + 3 portfolio temperature score by invested value within its listed equity and bonds portfolio from 3.07°C in 2021 to 2.66°C by 2026</li> <li>▪ Continue providing electricity generation project finance for only renewable electricity through 2030 from a 2021 base year</li> <li>▪ Reduce GHG emissions from service buildings within its corporate loan portfolio 67.4% per square meter by 2030 from a 2021 base year</li> <li>▪ Reduce GHG emissions from residential buildings within its corporate loan portfolio 56.8% per square meter by 2030 from a 2021 base year</li> <li>▪ Reduce GHG emissions from the electricity generation sector within its corporate loan, listed equity and corporate bond portfolio 74% per MWh by 2030 from a 2021 base year.</li> <li>▪ Reduce GHG emissions from the iron and steel sector within its corporate loan, listed equity and corporate bond portfolio 24.6% per ton of hot rolled steel by 2030 from a 2021 base year.</li> <li>▪ reduce GHG emissions from the cement sector within its corporate loan, listed equity and corporate bond portfolio 22.6% per ton of cement by 2030 from a 2021 base year</li> <li>▪ Reduce CO<sub>2</sub> emissions from the automotive manufacturing sector within its corporate loan, listed equity and corporate bond portfolio 31.4% per passenger kilometer (PTK) by 2030 from a 2021 base year</li> <li>▪ Reduce GHG emissions from the aviation sector within its corporate lending, listed equity and corporate bond portfolio 24% per revenue ton kilometer (RTK) by 2030 from 2023 base year<sup>30</sup></li> </ul>
<p><b>Financial budget to achieve the ESG</b></p>	<p>There is no information available on the Issuer's financial budget to achieve its ESG targets.</p>

<sup>30</sup> The target boundary includes land-related emissions and removals from bioenergy feedstock, while exclude non-CO<sub>2</sub>e effects which may also contribute to aviation induced warming.

TOPIC	COMMERZBANK'S APPROACH
<p><b>targets (CapEx, OpEx, Product Mix)</b></p>	
<p><b>Stakeholders involved in decision-making and the implementation and monitoring of the ESG agenda</b></p>	<p>The following stakeholders are involved in the Bank's ESG agenda:</p> <ul style="list-style-type: none"> <li>▪ Board of Managing Directors develops the strategy for the Commerzbank Group, discusses it with the Supervisory Board and ensures its implementation.</li> <li>▪ Group Sustainability Board is responsible for defining the bank's strategic sustainability goals and overseeing management and implementation measures.</li> <li>▪ Group Sustainability Management is responsible for the further development of the sustainability strategy and for comprehensive governance.</li> <li>▪ Supervisory Board sets up the Sustainability, Social and Good Governance (ESG) Committee, which meets four times per year.</li> <li>▪ external Sustainability Advisory Board is composed of representatives from business, science, society, politics and non-profit organizations such as non-governmental organizations, foundations and associations who contribute to further developing the sustainability strategy.</li> <li>▪ Risk Management function is responsible for the systematic integration of climate and environmental risks into the existing risk framework, governance and processes.</li> </ul>
<p><b>Industry associations, collective commitments</b></p>	<p>Commerzbank is a member of various industry associations including, but not limited to UNEP FI and its Principles for Responsible Banking, the United Nations Global Compact, the Principles for Responsible Investment, the SBTi, the Net-Zero Banking Alliance, and PCAF.</p>
<p><b>Sustainability reporting</b></p>	<p>The Bank reports on its ESG performance and initiatives annually. The non-financial report is guided by Global Reporting Initiative standards.</p>
<p><b>Previously issued sustainable/sustainability-linked issuances or transactions and publication of sustainable financing framework</b></p>	<p>The Bank has issued four bonds between 2018 and 2024 amounting to EUR 2.1 billion financing renewable energies. In 2025, Commerzbank issued another Green Bond amounting to EUR 750 million. The Green Bond Frameworks were verified by an external third party.</p>

## Rationale for establishing the Framework

Commerzbank's sustainability strategy is grounded in its commitment to combating climate change, reducing social inequalities and promoting inclusion. The Bank's net-zero commitment is based on two pillars: supporting customers in their sustainable transformations and setting a good example. To achieve these goals, Commerzbank commits, among other actions, to permanently allocate at least 10% of new loan business to sustainable projects and business models.

The ESG Framework was developed to provide transparency and comprehensive information on how the Bank understands sustainable finance. The Framework outlines how Commerzbank structures sustainable financial products and processes. It further serves to track progress of the sustainable finance target.

**Opinion:** *The Sustainable Lending Framework is consistent with the Bank's sustainability strategy. The rationale for establishing a Sustainable Lending Framework is clearly described by the Bank.*

## DISCLAIMER

1. Validity of the External Review ("External Review"): Valid as long as no material changes are made to the Framework.
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# ANNEX 1: Methodology

## PART I: REVIEW OF THE SUSTAINABLE LENDING FRAMEWORK

We consider relevant market guidelines in the assessment of sustainable finance strategies. The analysis considers criteria from a set of different market standards, voluntary guidelines and market practices (e.g., the [LMA's](#) Green Loan Principles and Social Loan Principles, the [UNEP-FI PRB](#), and the guidelines proposed by the European Banking Authority with respect to environmentally sustainable lending). The application of the LMA principles, comprising voluntary guidelines, is limited to the assessment of characteristics of a specific transaction.

SECTION	ASSESSMENT CRITERIA
<p><b>1. Objectives, targets and progress</b></p>	<p>For a financing strategy to be classified as sustainable, banks should embed these within the context of their overarching sustainability objectives. The institutions should further include relevant qualitative and, where feasible, quantitative targets to measure the progress on their commitments. Banks provide transparency on how to increase positive impacts, reduce negative impacts and mitigate ESG risks. The sustainability strategy is expressed by referring to alliances such as the U.N. Sustainable Development Goals, the Paris Agreement, or national or regional frameworks.</p>
<p><b>2. Definition of sustainable lending activities</b></p>	<p>The sustainable lending strategy should clearly and comprehensively define what transactions are deemed sustainable based on precise parameters. Ideally, the bank should provide an exhaustive list of eligible sustainable activities. The criteria should ensure a positive contribution to relevant sustainability objectives and be sufficiently precise to ensure a minimum level of contribution to those objectives (e.g., clear definition, quantified thresholds or impact indicators) while ensuring that other objectives are not harmed.</p>
<p><b>3. Evaluation and selection process</b></p>	<p>Banks should have a comprehensive and documented process in place to ensure that the classified projects align with the eligibility criteria for sustainable financing instruments. The borrower of a green/social loan should clearly communicate the environmental/social objective(s) of the projects, the process by which the borrower determines how the project(s) to be funded fit(s) within the eligible project categories, and complementary information on the processes by which the borrower identifies and manages perceived, actual or potential environmental and social risks associated with the relevant project(s).</p>
<p><b>4. Governance and monitoring</b></p>	<p>Clear governance mechanisms should be in place to ensure that the products classified as sustainable remain in line with the criteria for sustainable lending instruments throughout their lifecycle. This should include a process to deal with products that cease to meet the eligibility</p>

	<p>criteria. Effective governance procedures pertaining to sustainability, assigning clear roles and responsibilities, and segregating duties are in place to promote sustainable business practices. Management of proceeds should be attested to by the borrower in a formal internal process linked to the borrower’s lending and investment operations for green or social projects. The borrower should make known to the lenders any intended types of temporary placement for the balance of unallocated proceeds. Where appropriate, it is recommended that borrowers appoint (an) external review provider(s) to assess the alignment of their green loan or green loans program with the four core components of the LMA principles.</p>
<p><b>5. Reporting</b></p>	<p>Relevant reporting should be conducted frequently and, where feasible, made publicly available to communicate the classified sustainable transactions, as well as the impact and progress of the sustainable lending strategy. Elements to be reported on should be communicated clearly at the inception of the strategy and capture the most significant areas of impact on environmental and social topics.</p>
<p><b>6. Verification</b></p>	<p>It is recommended that in connection with the establishment of a sustainable lending framework, banks obtain external reviews. External reviews should be made publicly available.</p>

## PART II: ASSESSMENT OF COMMERZBANK' SUSTAINABLE LENDING CLASSIFICATION SYSTEM

This section examines the sustainability quality of each of the parameters included in Commerzbank's sustainable lending classification system and discusses the sustainability quality of the compliant products.

## PART III: ASSESSMENT OF COMMERZBANK'S ESG RISK MANAGEMENT

### ESG risk management KPIs

The risk management KPIs serve as a structure for evaluating the sustainability quality (i.e., the social and environmental added value) of the proposed selection criteria as well as the Bank's overall financing operations.

It comprises firstly the definition of the selection criteria offering added social and/or environmental value, and secondly the specific sustainability criteria by means of which this added value — and therefore the sustainability performance — can be clearly identified and described.

If a majority of the criteria fulfill the requirement of an indicator, the indicator is then assessed positively. The indicators may be tailor-made to capture the context-specific environmental and social risks. In addition, the KPIs assess sustainability-related risks considered relevant to the Bank's financing operations. The evaluation was carried out based on information and documents provided confidentially by the Bank (e.g., Due Diligence procedures).

## PART IV: SUSTAINABLE LENDING FRAMEWORK'S LINK TO COMMERZBANK'S SUSTAINABILITY STRATEGY

This section provides an assessment of the sustainability quality of the Group and how the underlying Sustainable Lending Framework contributes to its sustainability strategy. Drawing on the ISS Sustainability Corporate Rating, a focus is put on the Group's overarching sustainability policies as well as the management of related ESG risks.

## ANNEX 2: Quality management processes

### SCOPE

Commerzbank commissioned ISS-Corporate to compile a Sustainable Lending Framework External Review. The External Review process includes verifying whether the Sustainable Lending Framework aligns with market practices for sustainable finance and assessing its sustainability credentials, as well as the credibility of the Bank's sustainable lending classification system.

### CRITERIA

Relevant standards for this External Review stem from key principles for transparency and non-contamination of sustainable-labeled products, including:

- LMA's Green Loan Principles, Social Loan Principles and Sustainability-Linked Loan Principles
- UNEP-FI PRB
- Guidelines proposed by the European Banking Authority with respect to environmentally sustainable lending

### CLIENT'S RESPONSIBILITY

Commerzbank's responsibility was to provide information and documentation on:

- Sustainable Lending Framework
- ESG impact and risk management
- Governance procedures

### ISS-CORPORATE'S VERIFICATION PROCESS

Since 2014, ISS STOXX, which ISS-Corporate is part of, has built up a reputation as a highly reputed thought leader in the green and social bond market and has become one of the first CBI-approved verifiers.

ISS-Corporate has conducted this independent External Review of Commerzbank's Sustainable Lending Framework based on proprietary methodology and in line with market practices and relevant market standards for sustainable finance.

The engagement with Commerzbank took place from November 2025 to January 2026.

### ISS-CORPORATE'S BUSINESS PRACTICES

ISS-Corporate has conducted this verification in strict compliance with the ISS STOXX Code of Ethics, which lays out detailed requirements in integrity, transparency, professional competence and due care, professional behaviour and objectivity for the ISS business and team members. It is designed to ensure that the verification is conducted independently and without any conflicts of interest with other parts of ISS STOXX.

## About this External Review

Companies turn to ISS-Corporate for expertise in designing and managing governance, compensation, sustainability and cyber risk programs that align with company goals, reduce risk and manage the needs of a diverse shareholder base by delivering best-in-class data, tools and advisory services.

As part of our sustainable (green and social) bond services, we provide support for companies and institutions issuing sustainable bonds, advise them on the selection of categories of projects to be financed and help them define ambitious criteria.

ISS-Corporate provides External Review services for sustainable financing and responsible investment strategies by assessing the robustness of its clients' frameworks.

Please visit ISS-Corporate's [website](#) to learn more about our services for bond issuers.

For more information on External Review services, contact [SPOsales@iss-corporate.com](mailto:SPOsales@iss-corporate.com).

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